



ROBERTS, EXBERGER & LUMBERT ACCOUNTANCY CORPORATION

JUNE 22, 1994

HORIZON CABLE TV, INC.
FAIRFAX, CALIFORNIA

WE HAVE COMPILED THE ACCOMPANYING BALANCE SHEET OF HORIZON CABLE TV, INC., AT MAY 31, 1994, AND THE RELATED STATEMENTS OF INCOME AND CASH FLOWS FOR THE TEN MONTHS THEN ENDED, IN ACCORDANCE WITH STATEMENTS ON STANDARDS FOR ACCOUNTING AND REVIEW SERVICES ISSUED BY THE AMERICAN INSTITUTE OF CERTIFIED PUBLIC ACCOUNTANTS.

A COMPILATION IS LIMITED TO PRESENTING IN THE FORM OF FINANCIAL STATEMENTS INFORMATION THAT IS THE REPRESENTATION OF MANAGEMENT. WE HAVE NOT AUDITED OR REVIEWED THE ACCOMPANYING FINANCIAL STATEMENTS AND, ACCORDINGLY, DO NOT EXPRESS AN OPINION OR ANY OTHER FORM OF ASSURANCE ON THEM.

Roberts, Exberger & Lumbert

HORIZON CABLE TV, INC.
BALANCE SHEET
SEE ACCOUNTANT'S
COMPILATION REPORT

AS OF MAY 31, 1994

ASSETS

CURRENT ASSETS

PETTY CASH	\$	40.00
CASH IN BANK - WELLS FARGO		223.36
CASH - SMITH BARNEY SHEARSON		4.25
CASH IN BANK-SILICON VALLEY BK		2,846.43
CASH IN BANK-SILICON VALLEY BK		59,975.79
ACCOUNTS RECEIVABLE		22,434.84
PREPAID TAXES		1,773.46
PREPAID RENT		202.59
PREPAID EXPENSES		2,640.85
PREPAID INSURANCE		9,517.94

TOTAL CURRENT ASSETS

\$ 99,659.51

FIXED ASSETS - NOTE A

CATV - HAMILTON FIELD	\$	542,536.06
CATV - LUCAS VALLEY		25,052.24
CATV - DILLION BEACH		27,257.43
CATV - POINT MOLATE		25,752.72
CATV - WEST MARIN		1,822,011.26
OPERATING EQUIPMENT		15,326.07
OFFICE EQUIPMENT		22,481.89
VEHICLES		31,321.73
ACCUMULATED DEPRECIATION		(603,084.00)

TOTAL FIXED ASSETS

\$ 1,908,655.40

OTHER ASSETS

DEPOSITS	\$	251.90
LOAN FEES - NOTE A		2,261.09

TOTAL OTHER ASSETS

\$ 2,512.99

TOTAL ASSETS

\$ 2,010,827.90

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ATTACHED NOTES ARE AN INTEGRAL PART OF THIS FINANCIAL STATEMENT.

HORIZON CABLE TV, INC.
BALANCE SHEET
SEE ACCOUNTANT'S
COMPILATION REPORT

AS OF MAY 31, 1994

LIABILITIES AND EQUITY

CURRENT LIABILITIES

ACCOUNTS PAYABLE	\$ 33,304.28
NOTES PAYABLE - SCHEDULE 1	1,332,058.67
FEDERAL P/R TAXES PAYABLE	2,302.82
STATE P/R TAXES PAYABLE	499.42
ACCRUED INT-SILICON VALLEY BK	5,769.18
ACCRUED INT - VIDEO ENG.	4,642.70
ACCRUED INT - KEN DANIEL	150,489.84
ACCRUED PAYROLL	5,328.00
CONVERTER DEPOSITS	5,493.84

TOTAL CURRENT LIABILITIES	-----	\$ 1,539,888.75
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LONG TERM LIABILITIES

NOTES PAYABLE - SCHEDULE 1	\$ 681,752.99
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TOTAL LONG TERM LIABILITIES	-----	\$ 681,752.99
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TOTAL LIABILITES	-----	\$ 2,221,641.74
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STOCKHOLDERS EQUITY

COMMON STOCK - NOTE A	\$ 120,000.00
RETAINED EARNINGS (DEFICITS)	(204,869.79)
NET INCOME (LOSS)	(125,944.05)

TOTAL EQUITY	-----	\$ (210,813.84)
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TOTAL LIABILITIES AND EQUITY	-----	\$ 2,010,827.90
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ATTACHED NOTES ARE AN INTEGRAL PART OF THIS FINANCIAL STATEMENT.

HORIZON CABLE TV, INC.
INCOME STATEMENT
SEE ACCOUNTANT'S
COMPILATION REPORT

FOR THE MONTH ENDED 5/31/94 & THE TEN MONTHS ENDED 5/31/94

	CURRENT-PERIOD AMOUNT	CUR-PD RATIO	YEAR-TO-DATE AMOUNT	Y-T-D RATIO
INCOME - SCHEDULE 2				
CATV INCOME - SCHEDULE 2	\$ 58,718.55	95.64	\$ 594,392.93	99.16
OTHER INCOME	2,562.75	4.17	2,562.75	.43
INTEREST INCOME	115.40	.19	2,107.01	.35
DIVIDEND INCOME	.00	.00	360.03	.06

TOTAL INCOME	\$ 61,396.70	100.00	\$ 599,422.72	100.00
OPERATING EXP - SCHED 3	\$ 42,041.05	68.47	\$ 350,207.96	58.42

OPERATING INCOME (LOSS)	\$ 19,355.65	31.53	\$ 249,214.76	41.58
MANAGEMENT FEES	\$ 4,994.00	8.13	\$ 47,457.66	7.92
INTEREST	16,540.40	26.94	155,323.83	25.91
AMORTIZATION OF LOAN FEES	452.22	.74	28,559.44	4.76
DEPRECIATION	14,611.00	23.80	144,563.00	24.12
GAIN/LOSS FROM SALE OF ASSETS	.00	.00	(1,545.12)	(.26)
CALIFORNIA FRANCHISE TAX	.00	.00	800.00	.13

NET INCOME (LOSS)	\$ (17,241.97)	(28.08)	\$ (125,944.05)	(21.00)
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ATTACHED NOTES ARE AN INTEGRAL PART OF THIS FINANCIAL STATEMENT.

HORIZON CABLE TV, INC.
STATEMENT OF CASH FLOWS
SEE ACCOUNTANT'S
COMPILATION REPORT

FOR THE MONTH ENDED 5/31/94 & THE TEN MONTHS ENDED 5/31/94

	CURRENT PERIOD	YEAR-TO-DATE
RECONCILIATION OF NET INCOME TO OPERATING CASH:		
NET INCOME (LOSS)	\$ (17,241.97)	\$ (125,944.05)
ADJUSTMENTS TO RECONCILE NET INCOME TO NET OPERATING CASH		
DEPRECIATION AND AMORTIZATION	\$ 15,063.22	\$ 173,122.44
GAIN/LOSS FROM SALE OF ASSETS	.00	(1,545.12)
CHANGE IN ASSETS & LIABILITIES		
INCR/DECR IN PURCHASED INTEREST	\$.00	\$ 99.23
DECR/INCR IN ACCOUNTS RECEIVABLE	2,110.37	(394.20)
DECR/INCR IN PREPAID TAXES	1,773.50	(1,773.46)
DECR/DECR IN PREPAID RENT	84.94	716.64
DECR/INCR IN PREPAID INSURANCE	1,150.41	(9,517.94)
DECR/DECR IN PREPAID EXPENSES	1,218.96	1,181.90
INCR/INCR IN ACCOUNTS PAYABLE	20,154.28	21,404.28
INCR/DECR IN ACCRUED INT-SILICON VALLEY BK	459.90	(20.64)
INCR/DECR IN ACCRUED INT - VIDEO ENG.	326.12	(3,101.92)
INCR/INCR IN ACCRUED INT - KEN DANIEL	5,029.91	49,326.14
INCR/INCR IN ACCRUED PAYROLL	898.00	3,113.00
DECR/DECR IN CONVERTER DEPOSITS	(280.00)	(4,382.51)
DECR/DECR IN OTHER LIABILITIES	(968.15)	(240.52)
	-----	-----
TOTAL ADJUSTMENTS	\$ 47,021.46	\$ 227,987.32
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NET CASH PROVIDED BY OPERATING ACTIVITIES	\$ 29,779.49	\$ 102,043.27
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ATTACHED NOTES ARE AN INTEGRAL PART OF THIS FINANCIAL STATEMENT.

HORIZON CABLE TV, INC.
STATEMENT OF CASH FLOWS
SEE ACCOUNTANT'S
COMPILATION REPORT

FOR THE MONTH ENDED 5/31/94 & THE TEN MONTHS ENDED 5/31/94

	CURRENT PERIOD	YEAR-TO-DATE
CASH FLOWS FROM OPERATING ACTIVITIES		
CASH RECEIVED FROM CUSTOMERS	\$ 59,622.31	\$ 587,832.57
CASH PAID TO SUPPLIERS AND EMPLOYEES	(19,233.75)	(378,864.94)
INTEREST RECEIVED	115.40	2,206.24
DIVIDEND INCOME	.00	360.03
INTEREST PAID	(10,724.47)	(108,690.63)
INCOME TAXES PAID	.00	(800.00)
	-----	-----
NET CASH PROVIDED BY OPERATING ACTIVITIES	\$ 29,779.49	\$ 102,043.27
CASH FLOWS FROM INVESTING ACTIVITIES		
CAPITAL EXPENDITURES	\$ (4,131.19)	\$ (65,535.89)
MARKETABLE SECURITIES	.00	(14,580.76)
PROCEEDS FROM SALE OF MARKETABLE SECURITIES	.00	102,143.93
LOAN FEES	.00	(5,426.63)
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NET CASH USED IN INVESTING ACTIVITIES	\$ (4,131.19)	\$ 16,600.65
CASH FLOWS FROM FINANCING ACTIVITIES:		
PRINCIPAL PAYMENTS	\$ (9,454.12)	\$ (92,973.42)
PROCEEDS FROM ISSUANCE OF LONG-TERM DEBT	.00	11,464.34
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NET CASH PROVIDED BY FINANCING ACTIVITIES	\$ (9,454.12)	\$ (81,509.08)
	-----	-----
NET INCREASE IN CASH AND CASH EQUIVALENTS	\$ 16,194.18	\$ 37,134.84
CASH/CASH EQUIVALENTS BEGINNING OF PERIOD	\$ 46,895.65	\$ 25,954.99
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CASH EQUIVALENTS END OF PERIOD	\$ 63,089.83	\$ 63,089.83
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ATTACHED NOTES ARE AN INTEGRAL PART OF THIS FINANCIAL STATEMENT.

HORIZON CABLE TV, INC.
SCHEDULE 1
NOTES PAYABLE
MAY 31, 1994
SEE ACCOUNTANT'S COMPILATION REPORT

LENDER	SHORT TERM	LONG TERM	TOTAL
1. SILICON VALLEY BANK	\$ 1,311,167.00	\$ 0	\$ 1,311,167.00
2. VIDEO ENGIN. INC.	0	41,503.00	41,503.00
3. KEN DANIEL	0	640,249.99	640,249.99
4. JIM LEE	10,246.77	0	10,246.77
5. GMAC	3,002.22	0	3,002.22
6. IMPERIAL PREMIUM	<u>7,642.68</u>	<u>0</u>	<u>7,642.68</u>
	<u>\$ 1,332,058.67</u>	<u>\$ 681,752.99</u>	<u>\$ 2,013,811.66</u>

	DUE DATE	INTEREST RATE	PAYABLE	COLLATERAL
1.	12/15/94	P + 3.00%		SHAREHOLDER'S REAL ESTATE
2.	DEMAND	9.25%	INT SEMI-ANNUALLY	UNSECURED
3.		9.25%	*	UNSECURED
4.	6/3/94	10%	\$ 900.86 P/MO.	UNSECURED
5.	AMORTIZED	4.9%	\$ 385.39 P/MO.	CHEVY TRUCK
6.	11/12/94	9.25%	\$ 1,273.78 P/MO.	UNSECURED

*PAYMENTS ON THIS OBLIGATION HAVE BEEN SUSPENDED INDEFINITELY.

AS OF MAY 31, 1994 PRINCIPAL PAYMENTS ARE DUE AS FOLLOWS:

YEAR ENDED JULY 31,	AMOUNT
1994	\$ 22,933.08
1995	1,309,125.59
1996	0
1997	0
THEREAFTER	<u>681,752.99</u>
	<u>\$ 2,013,811.66</u>

ATTACHED NOTES ARE AN INTEGRAL PART OF THIS FINANCIAL STATEMENT.

HORIZON CABLE TV, INC.
SUPPORTING SCHEDULE 2
SEE ACCOUNTANT'S
COMPILATION REPORT

FOR THE MONTH ENDED 5/31/94 & THE TEN MONTHS ENDED 5/31/94

	CURRENT-PERIOD AMOUNT	CUR-PD RATIO	YEAR-TO-DATE AMOUNT	Y-T-D RATIO
INCOME				
HA - INCOME	\$ 20,528.38	33.44	\$ 213,043.65	35.54
LV - INCOME	8,416.46	13.71	86,149.86	14.37
RW - INCOME	150.00	.24	1,523.50	.25
PM - INCOME	44.00	.07	2,128.79	.36
PR - INCOME	20,049.68	32.66	199,772.14	33.33
SB - INCOME	9,530.03	15.52	91,774.99	15.31
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TOTAL INCOME	\$ 58,718.55	95.64	\$ 594,392.93	99.16

ATTACHED NOTES ARE AN INTEGRAL PART OF THIS FINANCIAL STATEMENT.

HORIZON CABLE TV, INC.
SUPPORTING SCHEDULE 3
SEE ACCOUNTANT'S
COMPILATION REPORT

FOR THE MONTH ENDED 5/31/94 & THE TEN MONTHS ENDED 5/31/94

	CURRENT-PERIOD AMOUNT	CUR-PD RATIO	YEAR-TO-DATE AMOUNT	Y-T-D RATIO
OPERATING EXP - SCHED 3				
ACCOUNTING	\$ 575.00	.94	\$ 5,175.00	.86
ADVERTISING	.00	.00	190.00	.03
BAD DEBTS	3,489.36	5.68	6,887.00	1.15
BASIC PROGRAMMING	7,544.03	12.29	78,946.78	13.17
BANK CHARGES	10.00	.02	2,838.90	.47
CONTRIBUTIONS	.00	.00	630.00	.11
COPYRIGHT FEES	.00	.00	1,951.11	.33
DUES AND SUBSCRIPTIONS	398.08	.65	3,558.75	.59
FOOD & ENTERTAINMENT	192.27	.31	930.23	.16
EQUIPMENT RENTAL	302.06	.49	8,004.26	1.34
FRANCHISE APPLICATION FEES	2,447.92	3.99	10,276.77	1.71
GASOLINE AND OIL	560.60	.91	7,190.49	1.20
INSURANCE	835.83	1.36	6,542.56	1.09
INSURANCE - W/C	314.58	.51	3,396.27	.57
LEGAL	574.76	.94	4,726.44	.79
LICENSES AND PERMITS	46.82	.08	2,264.74	.38
MATERIALS	503.25	.82	5,145.06	.86
MEDICAL INSURANCE	680.12	1.11	8,617.08	1.44
OFFICE EXPENSE	2,845.95	4.64	11,608.06	1.94
PAY PROGRAMMING	9,100.00	14.82	57,353.14	9.57
PAYROLL TAXES	745.72	1.21	9,589.15	1.60
POSSESSORY INTEREST TAX	473.89	.77	5,212.79	.87
POSTAGE	526.76	.86	3,566.22	.59
PERSONAL PROPERTY TAX	1,299.61	2.12	14,507.23	2.42
POLE ATTACHMENTS	516.42	.84	4,667.21	.78
RENT	468.70	.76	5,280.73	.88
REPAIRS & MAINTENANCE	614.15	1.00	5,080.67	.85
SALARIES - OFFICE	1,672.00	2.72	16,742.00	2.79
SALARIES - OTHER	1,783.20	2.90	17,075.58	2.85
STATEMENT EXPENSE	1,160.30	1.89	7,828.98	1.31
SMALL TOOLS	113.54	.18	902.49	.15
SUPPLIES	122.53	.20	5,071.53	.85
TELEPHONE	518.78	.84	6,199.63	1.03
TRAINING	325.00	.53	2,266.51	.38
TRAVEL	3.00	.00	4,928.23	.82
TRUCK EXPENSE	405.85	.66	5,210.43	.87
UTILITIES	789.99	1.29	9,313.89	1.55
MISCELLANEOUS	80.98	.13	532.05	.09
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TOTAL OPERATING EXPENSES	\$ 42,041.05	68.46	\$ 350,207.96	58.44

ATTACHED NOTES ARE AN INTEGRAL PART OF THIS FINANCIAL STATEMENT.

HORIZON CABLE TV, INC.
NOTES TO FINANCIAL STATEMENT
MAY 31, 1994
SEE ACCOUNTANT'S COMPILATION REPORT

NOTE A SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

NATURE OF BUSINESS

THE COMPANY CONSTRUCTS, OPERATES AND MAINTAINS CABLE TELEVISION SYSTEMS IN THE FAIRFAX AREA. THE CORPORATION GRANTS CREDIT TO CUSTOMERS, SUBSTANTIALLY ALL OF WHOM ARE LOCAL RESIDENTS.

FIXED ASSETS

FIXED ASSETS CONSIST OF CABLE TV SYSTEMS, TEST AND OPERATING EQUIPMENT, OFFICE EQUIPMENT AND VEHICLES. DEPRECIATION ON THESE ASSETS IS COMPUTED FOR FINANCIAL STATEMENT PURPOSES BY A COMBINATION OF BOTH STRAIGHT-LINE AND DECLINING BALANCE METHODS APPLIED TO INDIVIDUAL ASSETS. THE ESTIMATED LIVES ARE FROM FIVE TO FIFTEEN YEARS.

FOR FEDERAL INCOME TAX PURPOSES, THE MODIFIED ACCELERATED COST RECOVERY SYSTEM IS USED FOR ASSETS ACQUIRED AFTER 1986.

BAD DEBTS

NO PROVISION HAS BEEN MADE FOR ACCOUNTS RECEIVABLE THAT MAY BE UNCOLLECTIBLE. IT HAS BEEN THE POLICY OF MANAGEMENT TO WRITE OFF BAD DEBTS IMMEDIATELY UPON SUCH DETERMINATION.

COMMON STOCK

10,000 SHARES OF COMMON STOCK WERE AUTHORIZED AND 4,000 SHARES HAVE BEEN ISSUED AT \$ 30.00 PER SHARE.

INCOME TAXES

INCOME TAXES FOR HORIZON CABLE TV, INC. FOR THE YEAR ENDED JULY 31, 1993 WERE \$ 800.00 FOR CALIFORNIA AND \$ -0- FOR FEDERAL. THE COMPANY FILES A CONSOLIDATED TAX RETURN WITH ITS PARENT CORPORATION, VIDEO ENGINEERING, INC. HORIZON CABLE TV, INC. IS A WHOLLY-OWNED SUBSIDIARY OF VIDEO ENGINEERING, INC., A PRIVATELY-HELD CORPORATION.

THE DIFFERENCES BETWEEN PRE-TAX ACCOUNTING INCOME AND TAXABLE INCOME, SUCH AS THE USE OF ACCELERATED METHODS OF DEPRECIATION, ARE NOT DEEMED TO BE MATERIAL. THEREFORE, A DEFERRED TAX LIABILITY HAS NOT BEEN RECOGNIZED.

HORIZON CABLE TV, INC.
NOTES TO FINANCIAL STATEMENT - CONT'D
MAY 31, 1994
SEE ACCOUNTANT'S COMPILATION REPORT

NOTE A SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES - CONT'D

STATEMENT OF CASH FLOWS

THE STATEMENT OF CASH FLOWS USES THE DIRECT METHOD.
THE CORPORATION CONSIDERS ALL HIGHLY LIQUID DEBT
INSTRUMENTS PURCHASED WITH A MATURITY OF THREE MONTHS
OR LESS TO BE CASH EQUIVALENTS.

LOAN FEES

LOAN FEES OF \$ 5,426.63, DATED NOVEMBER 11, 1993, ARE
BEING AMORTIZED OVER THE ONE YEAR LIFE OF THE LOAN.

NOTE B OPERATING LEASE

THE COMPANY IS LEASING A COMPUTER AND SOFTWARE FROM
ADVANTA. THE LEASE IS FOR A FOUR YEAR TERM BEGINNING
FEBRUARY, 1991 WITH A MONTHLY RENTAL OF \$ 251.90.

THE FOLLOWING IS A SCHEDULE BY YEARS OF MINIMUM LEASE
PAYMENTS AS OF MAY 31, 1994.

YEAR ENDED JULY 31,	AMOUNT
1994	\$ 503.80
1995	<u>1,763.30</u>
	\$ 2,267.10

NOTE C RELATED PARTY TRANSACTIONS

RELATED PARTY TRANSACTIONS ARE INCLUDED ON THE SCHEDULE
OF NOTES PAYABLE AND CONSIST OF THE FOLLOWING:

VIDEO ENGINEERING, INC.	\$ 41,503.00
KEN DANIEL	\$ 640,249.99



ROBERTS, EXBERGER & LUMBERT ACCOUNTANCY CORPORATION

MAY 25, 1994

HORIZON CABLE TV, INC.
FAIRFAX, CALIFORNIA

WE HAVE COMPILED THE ACCOMPANYING BALANCE SHEET OF HORIZON CABLE TV, INC., AT APRIL 30, 1994, AND THE RELATED STATEMENTS OF INCOME AND CASH FLOWS FOR THE NINE MONTHS THEN ENDED, IN ACCORDANCE WITH STATEMENTS ON STANDARDS FOR ACCOUNTING AND REVIEW SERVICES ISSUED BY THE AMERICAN INSTITUTE OF CERTIFIED PUBLIC ACCOUNTANTS.

A COMPILATION IS LIMITED TO PRESENTING IN THE FORM OF FINANCIAL STATEMENTS INFORMATION THAT IS THE REPRESENTATION OF MANAGEMENT. WE HAVE NOT AUDITED OR REVIEWED THE ACCOMPANYING FINANCIAL STATEMENTS AND, ACCORDINGLY, DO NOT EXPRESS AN OPINION OR ANY OTHER FORM OF ASSURANCE ON THEM.

Roberts, Exberger & Lumbert

HORIZON CABLE TV, INC.
BALANCE SHEET
SEE ACCOUNTANT'S
COMPILATION REPORT

AS OF APRIL 30, 1994

ASSETS

CURRENT ASSETS

PETTY CASH	\$	40.00	
CASH IN BANK - WELLS FARGO		235.91	
CASH - SMITH BARNEY SHEARSON		4.25	
CASH IN BANK-SILICON VALLEY BK		(13,244.90)	
CASH IN BANK-SILICON VALLEY BK		59,860.39	
ACCOUNTS RECEIVABLE		24,545.21	
PREPAID TAXES		3,546.96	
PREPAID RENT		287.53	
PREPAID EXPENSES		3,859.81	
PREPAID INSURANCE		10,668.35	

TOTAL CURRENT ASSETS			\$ 89,803.51

FIXED ASSETS - NOTE A

CATV - HAMILTON FIELD	\$	542,371.06	
CATV - LUCAS VALLEY		25,052.24	
CATV - DILLION BEACH		27,257.43	
CATV - POINT MOLATE		25,752.72	
CATV - WEST MARIN		1,818,655.31	
OPERATING EQUIPMENT		15,326.07	
OFFICE EQUIPMENT		21,871.65	
VEHICLES		31,321.73	
ACCUMULATED DEPRECIATION		(588,473.00)	

TOTAL FIXED ASSETS			\$ 1,919,135.21

OTHER ASSETS

DEPOSITS	\$	251.90	
LOAN FEES - NOTE A		2,713.31	

TOTAL OTHER ASSETS			\$ 2,965.21

TOTAL ASSETS			\$ 2,011,903.93
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ATTACHED NOTES ARE AN INTEGRAL PART OF THIS FINANCIAL STATEMENT.

HORIZON CABLE TV, INC.
BALANCE SHEET
SEE ACCOUNTANT'S
COMPILATION REPORT

AS OF APRIL 30, 1994

LIABILITIES AND EQUITY

CURRENT LIABILITIES

ACCOUNTS PAYABLE	\$	13,150.00
NOTES PAYABLE - SCHEDULE 1		1,340,619.46
FEDERAL P/R TAXES PAYABLE		3,202.19
STATE P/R TAXES PAYABLE		568.20
ACCRUED INT-SILICON VALLEY BK		5,309.28
ACCRUED INT - VIDEO ENG.		4,316.58
ACCRUED INT - KEN DANIEL		145,459.93
ACCRUED PAYROLL		4,430.00
CONVERTER DEPOSITS		5,773.84

TOTAL CURRENT LIABILITIES		\$	1,522,829.48
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LONG TERM LIABILITIES

NOTES PAYABLE - SCHEDULE 1	\$	682,646.32
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TOTAL LONG TERM LIABILITIES		\$	682,646.32
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TOTAL LIABILITES		\$	2,205,475.80
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STOCKHOLDERS EQUITY

COMMON STOCK - NOTE A	\$	120,000.00
RETAINED EARNINGS (DEFICITS)		(204,869.79)
NET INCOME (LOSS)		(108,702.08)

TOTAL EQUITY		\$	(193,571.87)
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TOTAL LIABILITIES AND EQUITY		\$	2,011,903.93
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ATTACHED NOTES ARE AN INTEGRAL PART OF THIS FINANCIAL STATEMENT.

HORIZON CABLE TV, INC.
INCOME STATEMENT
SEE ACCOUNTANT'S
COMPILATION REPORT

FOR THE MONTH ENDED 4/30/94 & THE NINE MONTHS ENDED 4/30/94

	CURRENT-PERIOD AMOUNT	CUR-PD RATIO	YEAR-TO-DATE AMOUNT	Y-T-D RATIO
INCOME - SCHEDULE 2				
CATV INCOME - SCHEDULE 2	\$ 59,878.18	99.82	\$ 535,674.38	99.56
INTEREST INCOME	108.13	.18	1,991.61	.37
DIVIDEND INCOME	.00	.00	360.03	.07
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TOTAL INCOME	\$ 59,986.31	100.00	\$ 538,026.02	100.00
OPERATING EXP - SCHED 3	\$ 38,906.43	64.86	\$ 308,166.91	57.28
	-----	-----	-----	-----
OPERATING INCOME (LOSS)	\$ 21,079.88	35.14	\$ 229,859.11	42.72
MANAGEMENT FEES	\$ 7,146.80	11.91	\$ 42,463.66	7.89
INTEREST	15,876.25	26.47	138,783.43	25.79
AMORTIZATION OF LOAN FEES	452.22	.75	28,107.22	5.22
DEPRECIATION	14,589.00	24.32	129,952.00	24.15
GAIN/LOSS FROM SALE OF ASSETS	.00	.00	(1,545.12)	(.29)
CALIFORNIA FRANCHISE TAX	.00	.00	800.00	.15
	-----	-----	-----	-----
NET INCOME (LOSS)	\$ (16,984.39)	(28.31)	\$ (108,702.08)	(20.19)
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ATTACHED NOTES ARE AN INTEGRAL PART OF THIS FINANCIAL STATEMENT.

HORIZON CABLE TV, INC.
STATEMENT OF CASH FLOWS
SEE ACCOUNTANT'S
COMPILATION REPORT

FOR THE MONTH ENDED 4/30/94 & THE NINE MONTHS ENDED 4/30/94

	CURRENT PERIOD	YEAR-TO-DATE
RECONCILIATION OF NET INCOME TO OPERATING CASH:		
NET INCOME (LOSS)	\$ (16,984.39)	\$ (108,702.08)
ADJUSTMENTS TO RECONCILE NET INCOME TO NET OPERATING CASH		
DEPRECIATION AND AMORTIZATION	\$ 15,041.22	\$ 158,059.22
GAIN/LOSS FROM SALE OF ASSETS	.00	(1,545.12)
CHANGE IN ASSETS & LIABILITIES		
INCR/DECR IN PURCHASED INTEREST	\$.00	\$ 99.23
INCR/INCR IN ACCOUNTS RECEIVABLE	(1,844.22)	(2,504.57)
DECR/INCR IN PREPAID TAXES	1,773.50	(3,546.96)
DECR/DECR IN PREPAID RENT	262.66	631.70
DECR/INCR IN PREPAID INSURANCE	1,150.43	(10,668.35)
INCR/INCR IN PREPAID EXPENSES	(491.45)	(37.06)
INCR/INCR IN ACCOUNTS PAYABLE	4,592.12	1,250.00
INCR/DECR IN ACCRUED INT-SILICON VALLEY BK	77.63	(480.54)
INCR/DECR IN ACCRUED INT - VIDEO ENG.	315.60	(3,428.04)
INCR/INCR IN ACCRUED INT - KEN DANIEL	4,867.80	44,296.23
INCR/INCR IN ACCRUED PAYROLL	324.33	2,215.00
DECR/DECR IN CONVERTER DEPOSITS	(964.74)	(4,102.51)
INCR/INCR IN OTHER LIABILITIES	(307.83)	727.63
	-----	-----
TOTAL ADJUSTMENTS	\$ 24,797.05	\$ 180,965.86
	-----	-----
NET CASH PROVIDED BY OPERATING ACTIVITIES	\$ 7,812.66	\$ 72,263.78
	=====	=====

ATTACHED NOTES ARE AN INTEGRAL PART OF THIS FINANCIAL STATEMENT.

HORIZON CABLE TV, INC.
STATEMENT OF CASH FLOWS
SEE ACCOUNTANT'S
COMPILATION REPORT

FOR THE MONTH ENDED 4/30/94 & THE NINE MONTHS ENDED 4/30/94

	CURRENT PERIOD	YEAR-TO-DATE
CASH FLOWS FROM OPERATING ACTIVITIES		
CASH RECEIVED FROM CUSTOMERS	\$ 57,750.99	\$ 528,210.26
CASH PAID TO SUPPLIERS AND EMPLOYEES	(39,431.24)	(359,631.19)
INTEREST RECEIVED	108.13	2,090.84
DIVIDEND INCOME	.00	360.03
INTEREST PAID	(10,615.22)	(97,966.16)
INCOME TAXES PAID	.00	(800.00)
	-----	-----
NET CASH PROVIDED BY OPERATING ACTIVITIES	\$ 7,812.66	\$ 72,263.78
CASH FLOWS FROM INVESTING ACTIVITIES		
CAPITAL EXPENDITURES	\$ (4,527.90)	\$ (61,404.70)
MARKETABLE SECURITIES	.00	(14,580.76)
PROCEEDS FROM SALE OF MARKETABLE SECURITIES	.00	102,143.93
LOAN FEES	.00	(5,426.63)
	-----	-----
NET CASH USED IN INVESTING ACTIVITIES	\$ (4,527.90)	\$ 20,731.84
CASH FLOWS FROM FINANCING ACTIVITIES:		
PRINCIPAL PAYMENTS	\$ (9,445.93)	\$ (83,519.30)
PROCEEDS FROM ISSUANCE OF LONG-TERM DEBT	.00	11,464.02
	-----	-----
NET CASH PROVIDED BY FINANCING ACTIVITIES	\$ (9,445.93)	\$ (72,055.28)
	-----	-----
NET INCREASE IN CASH AND CASH EQUIVALENTS	\$ (6,161.17)	\$ 20,940.34
CASH/CASH EQUIVALENTS BEGINNING OF PERIOD	\$ 53,056.82	\$ 25,954.99
	-----	-----
CASH EQUIVALENTS END OF PERIOD	\$ 46,895.65	\$ 46,895.33
	=====	=====

ATTACHED NOTES ARE AN INTEGRAL PART OF THIS FINANCIAL STATEMENT.

HORIZON CABLE TV, INC.
SCHEDULE 1
NOTES PAYABLE
APRIL 30, 1994
SEE ACCOUNTANT'S COMPILATION REPORT

	LENDER	SHORT TERM	LONG TERM	TOTAL
1.	SILICON VALLEY BANK	\$ 1,318,167.00	\$ 0	\$ 1,318,167.00
2.	VIDEO ENGIN. INC.	0	41,503.00	41,503.00
3.	KEN DANIEL	0	640,249.99	640,249.99
4.	JIM LEE	10,162.17	893.33	11,055.50
5.	GMAC	3,373.83	0	3,373.83
6.	IMPERIAL PREMIUM	8,916.46	0	8,916.46
		<u>\$ 1,340,619.46</u>	<u>\$ 682,646.32</u>	<u>\$ 2,023,265.78</u>

	DUE DATE	INTEREST RATE	PAYABLE	COLLATERAL
1.	12/15/94	P + 3.00%		SHAREHOLDER'S REAL ESTATE
2.	DEMAND	9.25%	INT SEMI-ANNUALLY	UNSECURED
3.		9.25%	*	UNSECURED
4.	6/3/94	10%	\$ 900.86 P/MO.	UNSECURED
5.	AMORTIZED	4.9%	\$ 385.39 P/MO.	CHEVY TRUCK
6.	11/12/94	9.25%	\$ 1,273.78 P/MO.	UNSECURED

*PAYMENTS ON THIS OBLIGATION HAVE BEEN SUSPENDED INDEFINITELY.

AS OF APRIL 30, 1994 PRINCIPAL PAYMENTS ARE DUE AS FOLLOWS:

YEAR ENDED JULY 31,	AMOUNT
1994	\$ 32,387.20
1995	1,309,125.59
1996	0
1997	0
THEREAFTER	<u>681,752.99</u>
	<u>\$ 2,023,265.78</u>

ATTACHED NOTES ARE AN INTEGRAL PART OF THIS FINANCIAL STATEMENT.

HORIZON CABLE TV, INC.
SUPPORTING SCHEDULE 2
SEE ACCOUNTANT'S
COMPILATION REPORT

FOR THE MONTH ENDED 4/30/94 & THE NINE MONTHS ENDED 4/30/94

	CURRENT-PERIOD AMOUNT	CUR-PD RATIO	YEAR-TO-DATE AMOUNT	Y-T-D RATIO
INCOME				
HA - INCOME	\$ 21,217.23	35.37	\$ 192,515.27	35.78
LV - INCOME	8,654.68	14.43	77,733.40	14.45
RW - INCOME	150.00	.25	1,373.50	.26
PM - INCOME	103.40	.17	2,084.79	.39
PR - INCOME	20,085.39	33.48	179,722.46	33.40
SB - INCOME	9,667.48	16.12	82,244.96	15.29
	-----	-----	-----	-----
TOTAL INCOME	\$ 59,878.18	99.82	\$ 535,674.38	99.57

ATTACHED NOTES ARE AN INTEGRAL PART OF THIS FINANCIAL STATEMENT.

HORIZON CABLE TV, INC.
SUPPORTING SCHEDULE 3
SEE ACCOUNTANT'S
COMPILATION REPORT

FOR THE MONTH ENDED 4/30/94 & THE NINE MONTHS ENDED 4/30/94

	CURRENT-PERIOD AMOUNT	CUR-PD RATIO	YEAR-TO-DATE AMOUNT	Y-T-D RATIO
OPERATING EXP - SCHED 3				
ACCOUNTING	\$ 350.00	.58	\$ 4,600.00	.85
ADVERTISING	.00	.00	190.00	.04
BAD DEBTS	(7.03)	(.01)	3,397.64	.63
BASIC PROGRAMMING	8,622.35	14.37	71,402.75	13.27
BANK CHARGES	887.24	1.48	2,828.90	.53
CONTRIBUTIONS	.00	.00	630.00	.12
COPYRIGHT FEES	.00	.00	1,951.11	.36
DUES AND SUBSCRIPTIONS	237.54	.40	3,160.67	.59
FOOD & ENTERTAINMENT	155.28	.26	737.96	.14
EQUIPMENT RENTAL	754.75	1.26	7,702.20	1.43
FRANCHISE APPLICATION FEES	.00	.00	7,828.85	1.46
GASOLINE AND OIL	754.80	1.26	6,629.89	1.23
INSURANCE	835.85	1.39	5,706.73	1.06
INSURANCE - W/C	314.58	.52	3,081.69	.57
LEGAL	1,476.00	2.46	4,151.68	.77
LICENSES AND PERMITS	46.88	.08	2,217.92	.41
MATERIALS	1,306.10	2.18	4,641.81	.86
MEDICAL INSURANCE	1,061.67	1.77	7,936.96	1.48
OFFICE EXPENSE	875.01	1.46	8,762.11	1.63
PAY PROGRAMMING	8,566.40	14.28	48,253.14	8.97
PAYROLL TAXES	1,073.53	1.79	8,843.43	1.64
POSSESSORY INTEREST TAX	473.89	.79	4,738.90	.88
POSTAGE	131.09	.22	3,039.46	.56
PERSONAL PROPERTY TAX	1,299.61	2.17	13,207.62	2.45
POLE ATTACHMENTS	516.42	.86	4,150.79	.77
RENT	555.54	.93	4,812.03	.89
REPAIRS & MAINTENANCE	423.97	.71	4,466.52	.83
SALARIES - OFFICE	1,596.00	2.66	15,070.00	2.80
SALARIES - OTHER	1,900.37	3.17	15,292.38	2.84
STATEMENT EXPENSE	441.59	.74	6,668.68	1.24
SMALL TOOLS	314.67	.52	788.95	.15
SUPPLIES	746.72	1.24	4,949.00	.92
TELEPHONE	595.28	.99	5,680.85	1.06
TRAINING	350.00	.58	1,941.51	.36
TRAVEL	33.50	.06	4,925.23	.92
TRUCK EXPENSE	1,130.91	1.89	4,804.58	.89
UTILITIES	1,019.94	1.70	8,523.90	1.58
MISCELLANEOUS	65.98	.11	451.07	.08
TOTAL OPERATING EXPENSES	\$ 38,906.43	64.87	\$ 308,166.91	57.26

ATTACHED NOTES ARE AN INTEGRAL PART OF THIS FINANCIAL STATEMENT.

HORIZON CABLE TV, INC.
NOTES TO FINANCIAL STATEMENT
APRIL 30, 1994
SEE ACCOUNTANT'S COMPILATION REPORT

NOTE A SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

NATURE OF BUSINESS

THE COMPANY CONSTRUCTS, OPERATES AND MAINTAINS CABLE TELEVISION SYSTEMS IN THE FAIRFAX AREA. THE CORPORATION GRANTS CREDIT TO CUSTOMERS, SUBSTANTIALLY ALL OF WHOM ARE LOCAL RESIDENTS.

FIXED ASSETS

FIXED ASSETS CONSIST OF CABLE TV SYSTEMS, TEST AND OPERATING EQUIPMENT, OFFICE EQUIPMENT AND VEHICLES. DEPRECIATION ON THESE ASSETS IS COMPUTED FOR FINANCIAL STATEMENT PURPOSES BY A COMBINATION OF BOTH STRAIGHT-LINE AND DECLINING BALANCE METHODS APPLIED TO INDIVIDUAL ASSETS. THE ESTIMATED LIVES ARE FROM FIVE TO FIFTEEN YEARS.

FOR FEDERAL INCOME TAX PURPOSES, THE MODIFIED ACCELERATED COST RECOVERY SYSTEM IS USED FOR ASSETS ACQUIRED AFTER 1986.

BAD DEBTS

NO PROVISION HAS BEEN MADE FOR ACCOUNTS RECEIVABLE THAT MAY BE UNCOLLECTIBLE. IT HAS BEEN THE POLICY OF MANAGEMENT TO WRITE OFF BAD DEBTS IMMEDIATELY UPON SUCH DETERMINATION.

COMMON STOCK

10,000 SHARES OF COMMON STOCK WERE AUTHORIZED AND 4,000 SHARES HAVE BEEN ISSUED AT \$ 30.00 PER SHARE.

INCOME TAXES

INCOME TAXES FOR HORIZON CABLE TV, INC. FOR THE YEAR ENDED JULY 31, 1993 WERE \$ 800.00 FOR CALIFORNIA AND \$ -0- FOR FEDERAL. THE COMPANY FILES A CONSOLIDATED TAX RETURN WITH ITS PARENT CORPORATION, VIDEO ENGINEERING, INC. HORIZON CABLE TV, INC. IS A WHOLLY-OWNED SUBSIDIARY OF VIDEO ENGINEERING, INC., A PRIVATELY-HELD CORPORATION.

THE DIFFERENCES BETWEEN PRE-TAX ACCOUNTING INCOME AND TAXABLE INCOME, SUCH AS THE USE OF ACCELERATED METHODS OF DEPRECIATION, ARE NOT DEEMED TO BE MATERIAL. THEREFORE, A DEFERRED TAX LIABILITY HAS NOT BEEN RECOGNIZED.

HORIZON CABLE TV, INC.
NOTES TO FINANCIAL STATEMENT - CONT'D
APRIL 30, 1994
SEE ACCOUNTANT'S COMPILATION REPORT

NOTE A SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES - CONT'D

STATEMENT OF CASH FLOWS

THE STATEMENT OF CASH FLOWS USES THE DIRECT METHOD.
THE CORPORATION CONSIDERS ALL HIGHLY LIQUID DEBT
INSTRUMENTS PURCHASED WITH A MATURITY OF THREE MONTHS
OR LESS TO BE CASH EQUIVALENTS.

LOAN FEES

LOAN FEES OF \$ 5,426.63, DATED NOVEMBER 11, 1993, ARE
BEING AMORTIZED OVER THE ONE YEAR LIFE OF THE LOAN.

NOTE B OPERATING LEASE

THE COMPANY IS LEASING A COMPUTER AND SOFTWARE FROM
ADVANTA. THE LEASE IS FOR A FOUR YEAR TERM BEGINNING
FEBRUARY, 1991 WITH A MONTHLY RENTAL OF \$ 251.90.

THE FOLLOWING IS A SCHEDULE BY YEARS OF MINIMUM LEASE
PAYMENTS AS OF APRIL 30, 1994.

YEAR ENDED JULY 31,	AMOUNT
1994	\$ 755.70
1995	<u>1,763.30</u>
	\$ 2,519.00

NOTE C RELATED PARTY TRANSACTIONS

RELATED PARTY TRANSACTIONS ARE INCLUDED ON THE SCHEDULE
OF NOTES PAYABLE AND CONSIST OF THE FOLLOWING:

VIDEO ENGINEERING, INC.	\$ 41,503.00
KEN DANIEL	\$ 640,249.99



ROBERTS, EXBERGER & LUMBERT ACCOUNTANCY CORPORATION

5/9/94

HORIZON CABLE TV, INC.
FAIRFAX, CALIFORNIA

WE HAVE COMPILED THE ACCOMPANYING BALANCE SHEET OF HORIZON CABLE TV, INC., AT MARCH 31, 1994, AND THE RELATED STATEMENTS OF INCOME AND CASH FLOWS FOR THE EIGHT MONTHS THEN ENDED, IN ACCORDANCE WITH STATEMENTS ON STANDARDS FOR ACCOUNTING AND REVIEW SERVICES ISSUED BY THE AMERICAN INSTITUTE OF CERTIFIED PUBLIC ACCOUNTANTS.

A COMPILATION IS LIMITED TO PRESENTING IN THE FORM OF FINANCIAL STATEMENTS INFORMATION THAT IS THE REPRESENTATION OF MANAGEMENT. WE HAVE NOT AUDITED OR REVIEWED THE ACCOMPANYING FINANCIAL STATEMENTS AND, ACCORDINGLY, DO NOT EXPRESS AN OPINION OR ANY OTHER FORM OF ASSURANCE ON THEM.

Roberts, Exberger & Lumbert

HORIZON CABLE TV, INC.
BALANCE SHEET
SEE ACCOUNTANT'S
COMPILATION REPORT

AS OF MARCH 31, 1994

ASSETS

CURRENT ASSETS

PETTY CASH	\$	40.00	
CASH IN BANK - WELLS FARGO		259.59	
CASH - SHEARSON LEHMAN		4.25	
CASH IN BANK-SILICON VALLEY BK		(6,999.28)	
CASH IN BANK-SILICON VALLEY BK		59,752.26	
ACCOUNTS RECEIVABLE		22,700.99	
PREPAID TAXES		5,320.46	
PREPAID RENT		550.19	
PREPAID EXPENSES		4,673.18	
PREPAID INSURANCE		11,818.78	

TOTAL CURRENT ASSETS			\$ 98,120.42

FIXED ASSETS - NOTE A

CATV - HAMILTON FIELD	\$	541,413.80	
CATV - LUCAS VALLEY		25,052.24	
CATV - DILLION BEACH		27,257.43	
CATV - POINT MOLATE		25,752.72	
CATV - WEST MARIN		1,815,084.67	
OPERATING EQUIPMENT		15,326.07	
OFFICE EQUIPMENT		21,871.65	
VEHICLES		31,321.73	
ACCUMULATED DEPRECIATION		(573,884.00)	

TOTAL FIXED ASSETS			\$ 1,929,196.31

OTHER ASSETS

DEPOSITS	\$	251.90	
LOAN FEES - NOTE A		3,165.53	

TOTAL OTHER ASSETS			\$ 3,417.43

TOTAL ASSETS			\$ 2,030,734.16
			=====

ATTACHED NOTES ARE AN INTEGRAL PART OF THIS FINANCIAL STATEMENT.

HORIZON CABLE TV, INC.
BALANCE SHEET
SEE ACCOUNTANT'S
COMPILATION REPORT

AS OF MARCH 31, 1994

LIABILITIES AND EQUITY

CURRENT LIABILITIES

ACCOUNTS PAYABLE	\$ 8,557.88
NOTES PAYABLE - SCHEDULE 1	1,349,179.36
FEDERAL P/R TAXES PAYABLE	2,489.21
STATE P/R TAXES PAYABLE	1,589.01
ACCRUED INT-SILICON VALLEY BK	5,231.65
ACCRUED INT - VIDEO ENG.	4,000.98
ACCRUED INT - KEN DANIEL	140,592.13
ACCRUED PAYROLL	4,105.67
CONVERTER DEPOSITS	6,738.58

TOTAL CURRENT LIABILITIES	-----	\$ 1,522,484.47
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LONG TERM LIABILITIES

NOTES PAYABLE - SCHEDULE 1	\$ 683,532.35
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TOTAL LONG TERM LIABILITIES	-----	\$ 683,532.35
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TOTAL LIABILITES	-----	\$ 2,206,016.82
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STOCKHOLDERS EQUITY

COMMON STOCK - NOTE A	\$ 120,000.00
RETAINED EARNINGS (DEFICITS)	(204,869.79)
NET INCOME (LOSS)	(90,412.87)

TOTAL EQUITY	-----	\$ (175,282.66)
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TOTAL LIABILITIES AND EQUITY	-----	\$ 2,030,734.16
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ATTACHED NOTES ARE AN INTEGRAL PART OF THIS FINANCIAL STATEMENT.